Better Marketing

Division of Marketing and Marketing Agreements
· · AGRICULTURAL · ADJUSTMENT · ADMINISTRATION · ·

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CONSERVATION PROGRAM AID TO DAIRY FARMERS

Program Offers Dairymen Opportunities For Savings in Inaugurating Sound Production Practices

The extent to which dairy farmers may receive payments under the agricultural conservation program will be governed largely by their relative acreages of soil-depleting and soil-conserving crops and the extent to which they will find it advantageous to decrease their soil-depleting crop acreages or adopt certain approved practices. Farmers may obtain detailed information relative to the specific conditions under which they may qualify for such payments in their regions from their county committees.

Many Corn Belt dairy farmers, who have other enterprises as well as dairying, ordinarily have substantial proportions of their crop land in corn, small grains, field crops, annual grasses, and other crops making up the general soil-depleting base. They may readily qualify for class 1, or soil-conserving payments by diverting to crops in the soil-conserving class. Such payments are expected to average about $10 per acre for the country as a whole, varying with productivity of land, and may be received on 15 percent of the general soil-depleting base.

Qualifying for Payments

Small grains, to a considerable extent nurse crops, harvested as grain or hay, will constitute large proportions of the general soil-depleting bases of many dairy farmers. One way in which these farmers may qualify for class I payments will be by seeding certain grasses

(Continued on p. 2)

Offer For Payments Under Peanut Diversion Plan Open Until June 20

An open offer by the Secretary of Agriculture to make payments to peanut growers for the diversion of peanuts into oil at a rate of $21 a ton for Virginia type, $11 a ton for Spanish type, and $3 a ton for Runner type peanuts has been extended to June 20.

The offer became effective March 25, 1936, and had previously been extended to May 20. Since all peanuts diverted under the offer are required to be crushed on or before June 30, 1936, the final date for the sale of peanuts under the offer has been set as June 20.

The peanut-diversion program is designed to remove surplus peanuts from the normal channels of trade and divert them into the manufacture of peanut oil.

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Surplus Apples For Relief Use Bought From Growers In 20 States

Fruit growers in 20 States where excessive holdings of apples in storage seriously depressed market prices, took advantage of the surplus removal program of the Agricultural Adjustment Administration and sold large quantities of their holdings to the Federal Government for relief distribution.

More than 4,000 carloads of surplus apples were bought under this apple-purchase program and distributed in consumption channels which otherwise would not have offered an outlet for this fruit. Approximately 2,000 carloads of these apples were bought in 9 apple-growing States of the East.

Apples bought under the purchase program were turned over by the Commodities Purchase Section to the Federal Surplus Commodities Corporation for relief distribution through State agencies. Care was taken to prevent distribution of surplus apples from conflicting with apples in regular channels of trade.

PECAN EXPORT BENEFIT PLAN ALLOTMENTS MADE

Foreign Sales of 1,440,000 Pounds of Pecans To Be Made by June 30 Under Program

Offers to export a total of 1,440,000 pounds of pecans under a program to encourage the export of a limited quantity of pecans, have been accepted by the Secretary of Agriculture.

Allotments were made to the following pecan exporters from offers submitted by them: National Pecan Marketing Association, Macon, Ga.; National Pecan Growers Exchange, Albany, Ga.; R. E. Funsten Co., St. Louis, Mo.; Thad Huckabee, Albany, Ga.; Georgia Pecan Co., Cairo, Ga.; Southland Pecan Co., Columbus, Ga.; Wilder Pecan Co., Albany, Ga.; W. K. Robinson, Cairo, Ga.; and Herbert W. Smith, Chicago, Ill.

Under the plan to encourage exports of pecans, the exporters will be paid an export benefit of 5 cents per pound on the pecans sold abroad. The actual sale of the pecans by each exporter will have to take place by June 30, and the nuts will have to be exported before October 1, 1936.

The program to encourage exports of a limited quantity of pecans is designed to find new markets and to alleviate the pressure of surplus on the 1936 crop. This surplus was caused by an unusually large crop in 1935. The program involves the exporting of those pecans of

(Continued on p. 4)

STATES REQUEST COTTON FOR HIGHWAY BUILDING

Fabric Sought for Constructing Roads in Tests to Find New Uses for American Cotton

A total of 32 States have filed requests with the Agricultural Adjustment Administration for cotton fabric and mats to be used in tests of new uses of cotton in highway construction.

Requests for approximately 6,167,000 square yards of cotton fabric for use as a reinforcement membrane in bituminous surface-treated highways were filed by 24 of the 32 States. Estimates indicate that this material is to be used in the construction of more than 575 miles of road.

A total of 23 of the 32 States filed requests for more than 89,500 cotton mats for use in curing concrete highways.

The project is being financed with funds made available by section 32 of the amendments to the Agricultural Adjustment Act, approved last August. This section makes available to the Secretary of Agriculture an amount equal to 30 percent of the customs receipts for uses which include the encouragement of domestic consumption of agricultural commodities by diverting them from normal channels of trade to new uses.

Requests From States

The following are the requests by States for cotton fabric, and the estimated miles of road, 18-foot basis, on which this fabric will be used: Michigan, 447,975 square yards, 42.42 miles of road; North Carolina, 1,115,253.33 square yards, 105.61 miles; Indiana, 114,060

(Continued on p. 4)

Only 8 States Remain To Be Put On Bovine T. B. Accredited List

Nebraska, designated as a modified accredited area, is the fortieth State to be declared practically free from bovine tuberculosis. Most of the testing was done during the last 2 years. Testing throughout the whole country was accelerated in the last 3 years with funds made available by Congress to the Agricultural Adjustment Administration. Actual testing is under the supervision of the Bureau of Animal Industry.

The accreditation of Nebraska is especially significant in view of the large number of feeder cattle that are shipped from the State and may now be shipped

(Continued on p. 4)

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BETTER MARKETING is issued as a means of communicating to workers and cooperators of the Division of Marketing and Marketing Agreements information relative to the Division's activities under the Agricultural Adjustment Act and related Acts.

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

NATHAN KOENIG, *Editor*, BETTER MARKETING

CONSERVATION PROGRAM

(Continued from p. 1)

and clovers with small grains and clipping or pasturing such nurse crops to prevent grain formation, thereby reducing their soil-depleting crops below their bases.

Farmers who ordinarily have small proportions of their land in soil-depleting crops and who may not find it convenient to reduce such crops may qualify for class 2 payments by adopting certain approved practices, such as seedings of biennial and perennial legumes, plowing under green manure crops, application of lime and fertilizers, and plantings of forest trees. Payments for most practices range from $1 to $10, in some instances higher, varying with different practices and in different States. Such payments are to be made for each acre on which the practices are applied, with the maximum total amount allowable for class 2 payments on a particular farm determined by multiplying by $1 the acreage of crops classed as soil-conserving.

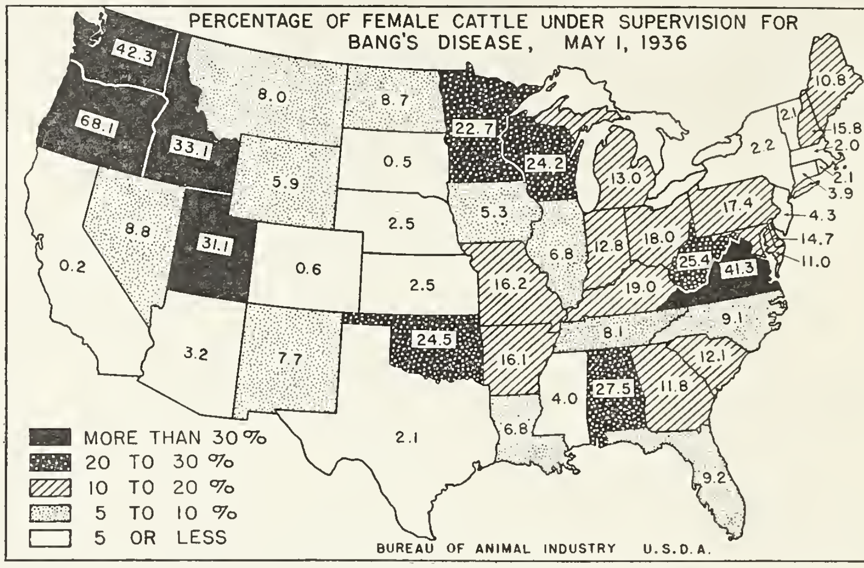
Because a relatively large share of their crop land is in soil-conserving crops, class 2 payments probably will represent a large proportion of the payments to dairy farmers, particularly those outside of the corn belt.

Better Roughage

This financial assistance will enable many dairy farmers to conserve and improve the productivity of their farming land, check erosion on hillsides and slopes, improve their pastures, correct acidity conditions and further increase the proportion of legumes in their roughage supplies.

For more than 2 decades, alfalfa, clover, and other legumes have played an increasingly important role in roughage feeds in this country. The agricultural conservation program undoubtedly will greatly stimulate this trend. With legumes constituting a relatively larger proportion of the roughage feeds, many dairy farmers probably will tend to feed somewhat less grain. Experimental evidence appears to indicate that liberal rations of high-protein roughages with moderate grain rations may be substituted for the low-protein roughages with heavy grain rations fed on many farms, and do so without greatly reducing milk production per cow.

BANG'S DISEASE ERADICATION PROGRAM MAKES GAINS



The above map shows the increased progress which has been made in the cooperative Federal-State campaign against Bang's disease in cattle.

The map shows by States the percentages of female cattle 1 year old and older that on May 1 were under supervision and have been tested for this disease. The percentage represents the number of cattle tested minus the reactors removed for slaughter in proportion to the total number of female cattle 1 year old and older.

In the majority of States there is an increase in the number of cattle under supervision as compared to the number 6 months ago.

In 10 States the present percentage of dairy and beef cattle under supervision exceeds 20 percent. The States showing the largest percentage of cattle under supervision are, in order named: Oregon, Washington, Virginia, Idaho, Utah, and Alabama.

The Bang's disease eradication program has only been in operation since July 1934, through funds made available by Congress to the Agricultural Adjustment Administration. The progress which is being made in the control and eradication of this disease is indicative of the extent to which dairy and beef breeders in increasing numbers throughout the country are availing themselves of the opportunity offered by the program to rid their herds of this costly disease.

Fewer Milk Cows

The sharp decline in consumer demand during the first few years of the depression seriously affected producers of all agricultural products. The loss of foreign markets was an additional factor affecting producers of export crops. The logical result of such a situation was a tendency for producers to shift from export to domestic products. However, conditions related to the severe drought of 1934 resulted in a decrease in the number of milk cows.

The total number of milk cows in the United States now is about 5 percent smaller than 2 years ago, chiefly as the result of heavy marketing of milk cows in commercial channels, Government purchases of cattle in the drought-stricken areas, and the cattle disease elimination program. Unless foreign markets are recovered, the tendency to shift from export to domestic products, together with a general shift to more roughage feeds, may tend toward an increase in hay-consuming livestock. However, in view of the time factor, a marked increase probably would not show up for several years.

Milk production during the next year will depend largely upon the present number of cows, pasture conditions during the coming season, and feed grain supplies next winter. It is rather difficult to foresee the feed grain situation next fall and winter.

Since the planting intentions reported by farmers this spring were indicated before formulation and official announcement of the agricultural conservation program, it is uncertain to what extent farmers anticipated taking part in the program, or to what extent they may have modified their planting intentions since its announcement. If the total feed grain acreage harvested in 1936 is about the same as in 1935, when the corn-hog program was in effect, feed-grain supplies per grain-consuming animal unit, with average growing conditions, would likely be at least as large in the 1936–37 winter feeding season as in the corresponding 1935–36 season.

West Coast Citrus Order Amended

Amendments to the order for handlers of oranges and grapefruit grown in California and Arizona which are designed to provide additional flexibility in the operation of the marketing program, became effective June 9.

DOMESTIC TREE NUT PRODUCTION HIGHER

Returns to Growers Have Declined in Recent Years; Industry's Situation Reviewed

A steady trend toward increased production, a drastic decline in returns to growers, and a sharp drop in imports are the high lights of the situation which has prevailed in recent years in the domestic tree nut industry.

The outstanding feature of the domestic tree nut industry during the past 15 years has been the rapid increase in production which culminated in the record crop of 1935. Total production of walnuts, pecans, almonds, and filberts averaged 46,500 tons annually from 1920 to 1924. During the next 5-year period production averaged 62 percent higher and averaged 72 percent greater during the period from 1930 to 1934. In 1935 total production of these nuts exceeded 111,800 tons, an increase of more than 140 percent above the annual production during the period from 1920 to 1924.

Imports of tree nuts, however, have sharply decreased. Total net imports of walnuts, almonds, pecans, brazils, filberts, chestnuts, pignolias, pistachios, and cashews averaged only 65,300 tons annually during 1930 to 1934, compared to 99,500 tons in the preceding 5 years, and 117,100 tons during 1920 to 1924. During recent years imports of walnuts have declined sharply, while imports of Brazil nuts have increased, and substantial quantities of cashews appeared on domestic markets for the first time.

The per-capita supply of all tree nuts has decreased during the past decade. Per-capita supply fluctuated around 3 pounds during the decade ending with 1926. During the last 3 years per-capita supply averaged only around 2 pounds.

Farm Income Lower

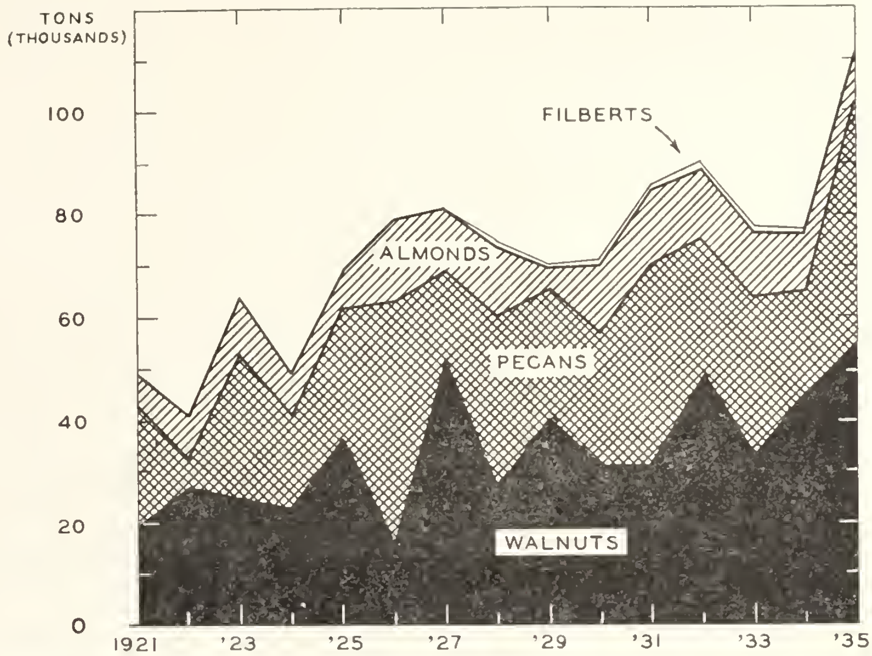
Total farm income from tree nuts has been relatively low during recent years. Farm income averaged approximately $26,897,000 annually during the 5-year period 1923 to 1928, as compared to $15,185,000 during 1931 to 1934. In 1935 farm income amounted to $18,885,000. During the last 3 years marketing-agreement, surplus-removal, and diversion programs have been utilized by growers of tree nuts. A marketing-agreement program and a surplus-diversion program are in effect at present for walnuts, while a program designed to encourage export sales is in effect for pecans.

Walnut Acreage High

Domestic production of English walnuts, which is confined to the Pacific Coast States, has increased markedly during the past decade. Production averaged nearly 45,000 tons annually during 1932 to 1935 as compared with an average of 28,000 tons during 1922 to 1925, an increase of 60 percent for the decade. The 1935 output amounted to 54,200 tons and it is estimated that with normal yields, total production during the next 5 years will average between 45,000 and 50,000 tons annually.

Bearing acreage both in California and Oregon has steadily increased during recent years. The number of trees in California not yet in bearing has declined since 1927. However, the present acreage of nonbearing or partial-bearing trees in the Pacific Coast States and the long-bearing life of mature trees indicate that production will continue to increase for a number of years.

PRODUCTION OF NUTS IN U. S. SHOWS UPWARD TREND



Total imports of walnuts have declined sharply during recent years. Annual net imports of foreign walnuts averaged 36,685 tons from 1921 to 1924 as against 22,252 tons from 1928 to 1931, and approximately 14,000 tons during the 3 fiscal years ending June 30, 1935.

The drop in imports is particularly true of unshelled walnuts, of which annual net imports for consumption have been negligible during the past few years. The decline in imports, however, has been largely offset by increased domestic production, and since 1932 a considerable increase has occurred in the export of domestic walnuts.

Farm income from walnuts declined sharply after 1930. Total farm income from 1924 to 1928 averaged $12,510,000 as against an average of $6,374,000 during 1931 to 1934. Farm income in 1935 amounted to $10,222,000.

Pecan Situation

Domestic production of pecans during the past decade has been characterized by wide fluctuations from year to year, but with no definite indication of continuing increase or decrease. During the decade which ended in 1934, total pecan production averaged 29,059 tons. The 1935 crop of 47,670 tons was 64 percent above the average of the preceding 10 years. This was a record crop and was approached only in 1936 by the tremendous crop of 47,000 tons.

Based on the number of young trees, it is estimated that with average growing conditions the pecan crop will amount to from 33,500 to 35,000 tons, while especially favorable weather in any growing season may result in a crop as large as 50,000 to 55,000 tons between now and 1940. The characteristic tendency toward alternate heavy and light yields of pecans indicates at least some years of relatively heavy production in the future.

Total farm income from pecans declined from an annual average of $10,627,000 from 1924 to 1928 to an average of $4,729,000 annually from 1931 to 1934. Farm income in 1935 amounted to $5,889,000.

Domestic production of pecans covers a relatively wide territory, the principal producing area extending from the Carolinas to Texas. Improved pecans are grown largely east of the Mississippi River, the principal States being North and South Carolina, Georgia, Florida, Alabama, and Mississippi. Seedling pecans are produced mainly in Texas, Oklahoma, Louisiana, Arkansas, Mississippi, and Missouri.

The outstanding feature in the pecan industry during recent years is the marked decline in prices of improved pecans relative to the prices of almonds and walnuts. Prices received by growers for improved pecans averaged 13.6 cents per pound during the past 5 years as compared with an average of 38 cents per pound during 1922 to 1928. This decline in price is proportionally greater than the increase in production during the same period. Total production of improved pecans during the past 5 years averaged 7,187 tons annually as compared with an average of 5,490 tons annually from 1922 to 1928. Thus, average production increased approximately 31

(Continued on p. 4)

PRESENT BUTTER SUBSIDY PLANS OF RECENT ORIGIN

Denmark and Estonia Among Those Foreign Countries Resorting To Export Subsidies

[This is the fifth of a series of articles on world trade in butter as it relates to butter production and marketing in the United States]

Efforts of foreign countries to subsidize exports of their surplus butter have grown out of numerous factors, among which are increased butter production, declining butter prices, and the desire of producing countries to increase returns from dairy products sold in the home markets.

While Australia was one of the first to adopt a program for subsidizing butter exports, other surplus-producing countries, which included Denmark and Estonia, were not so quick in their application of present export subsidy plans. The following summarizes the butter subsidy programs in effect in Denmark and Estonia.

Denmark's Butter Subsidy

Prior to December 1933 the Danish Government did not extend any aid to the dairy industry of that country, though arrangements were in effect which provided for the equalization by means of pooling of the differences in prices obtained for butter exported to various markets.

A number of Government decrees, made effective on December 13, 1933, provided in part for the imposition of graduated taxes on butter for domestic consumption so long as the Copenhagen quotation for export butter was below 2.50 krone per kilogram. If the quotation was between 1.75 and 2.15 krone, a tax of 0.35 krone per kilogram was collectible. If the quotation was below 1.75 krone the tax was increased by the amount by which the quotation was below 1.75 krone. On the other hand, if the Copenhagen price was above 2.15 krone the tax was lowered by the amount by which the price exceeded 2.15 krone. No tax was collected if the export price exceeded 2.50 krone. The proceeds from the taxes were impounded in a special fund for making payments to farmers.

The decrees also provided for the imposition of a tax of 0.30 krone per kilogram on all domestic oils and fats utilized in margarine production, except lard and tallow. Foreign oils and fats were subject to a similar duty upon importation, while imported margarine and margarine cheese were dutiable at 0.25 krone per kilogram. A portion of the proceeds from these levies were used for the purchase of margarine and beef for the needy, while the balance accrued to the Treasury.

In addition, a plan has been in force since 1923 for the slaughtering of cattle at guaranteed prices. A large proportion of the cattle disposed of were old dairy cows. Under this plan approximately 130,000 animals were slaughtered in 1933, 150,000 in 1934, and 40,000 in the first half of 1935.

Due to an increase in margarine consumption and a considerable reduction in butter consumption as a result of the operation of the above plan, the tax on butter described above was revoked on December 1, 1934. The tax levied on raw materials imported for margarine manufacture was also terminated at the same time.

Since early in 1934 a plan has been in operation, in addition to the above measures, whereby surplus quantities of butter are removed from the normal channels of trade and held in storage for distribution at a later time on the domestic market. The object of these operations is to stabilize butter prices. The plan is financed by a fund of 2 million krone furnished by the cooperative and private exporters and the Butter Quota Fund. Operations under this plan were conducted only in a few instances in 1934.

Since November 10, 1935, a countervailing duty has been in effect on Danish butter imported into the United States, in addition to the 14-cent customs duty levied on all foreign butter shipped into this country. The rate of the countervailing duty is determined from time to time. On the basis of conditions prevailing at the time of the imposition of the duty, the rate would be approximately 4 cents per pound.

Butter Subsidy In Estonia

Under a law passed in January 1934, the price of butter to Estonian producers was fixed at a minimum of 1.50 krone per kilogram. If the market price declined below this minimum price, producers were paid the difference, the funds being furnished by the State from general tax revenues and other sources. At the same time a bounty was paid to exporters for butter sold in foreign markets. A further provision authorized the Minister of Agriculture to fix the quantities of butter which exporters were to sell in the various export markets. Failure to comply with his orders resulted in a forfeiture of the bounties by the noncomplying exporters.

The minimum price originally guaranteed to producers was changed on several occasions since the enactment of the above law. From July 16 to October 15, 1934, it was fixed at 1.10 krone. After raising the price to 1.45 krone for the first 3 months in 1935, it was again lowered and in July it was 1.20 krone per kilogram.

STATES TO BE ACCREDITED

(Continued from p. 1)

without a special tuberculin test. It will be necessary now only to retest the various counties at regular intervals. Retesting is a precaution to keep the disease from getting another foothold.

Of the eight remaining States not in the modified accredited area, one, South Dakota, is in the Middle West, one, California, is on the Pacific coast, and six, New York, New Jersey, Pennsylvania, Maryland, Vermont, and Rhode Island, are in the northeastern group of States. It is expected that some of this territory will be accredited within the next few months.

STATES REQUEST COTTON

(Continued from p. 1)

square yards, 10.80 miles; Missouri, 257,400 square yards, 24.37 miles; New York, 842,122.21 square yards, 79.75 miles; Arkansas, 123,000 square yards, 11.65 miles; Rhode Island, 125,100 square yards, 11.84 miles; South Carolina, 669,973.33 square yards, 63.44 miles; Arizona, 171,951.50 square yards, 16.28 miles; Georgia, 144,320 square yards, 13.66 miles; Washington, 177,077.77 square yards, 11.08 miles; Nevada, 66,166.66 square yards, 6.26 miles; Mississippi, 109,333.33 square yards, 10.35 miles; California, 66,000 square yards, 6.25 miles; Oregon, 36,166.66 square yards, 3.42 miles; Maine, 18,186.66 square yards, 1.72 miles; New Jersey, 102,500 square yards, 9.70 miles; Tennessee, 72,092 square yards, 6.83 miles; Alabama, 1,260,094 square yards, 119.33 miles; New Hampshire, 21,706.65 square yards, 2.05 miles; Virginia, 89,173.32 square yards, 8.44 miles; Montana, 39,600 square yards, 3.75 miles; Florida, 54,120 square yards, 5.12 miles; and Massachusetts, 50,813.33 square yards, 4.11 miles.

The following are the requests for cotton mats by States: Michigan, 2,400; North Carolina, 2,755; Indiana, 1,500; Minnesota, 4,200; Missouri, 4,200; New York, 25,400; Arkansas, 1,500; Illinois, 1,870; Rhode Island, 6,000; South Carolina, 1,200; Arizona, 920; Pennsylvania, 4,500; Oklahoma, 1,500; Wisconsin, 720; Georgia, 1,000; Washington, 420; Nevada, 1,250; Ohio, 2,200; Mississippi, 2,100; California, 2,000; West Virginia, 900; Texas, 20,000; and Oregon, 1,000.

TREE NUT PRODUCTION

(Continued from p. 3)

percent while average prices declined about 64 percent.

Domestic production of almonds, confined to California, has declined annually since 1931 and is now 37 percent below the 1931 peak of production. The long-continued decline in acreage of trees under bearing age has reduced the proportion of young trees to a point at which there will not be enough to cover normal replacement during the next 5 years.

Per-capita consumption of almonds has declined since 1919, particularly since 1928. In the latter year per-capita supply was approximately three-fourths of a pound, as against one-fourth of a pound in 1934.

Imports of unshelled almonds have been negligible since the 1929 season.

PECAN EXPORTS

(Continued from p. 1)

the 1935 crop which are not below the medium size and No. 2 quality specified in United States standards.

The removal from domestic markets of part of the large supply of pecans is expected to strengthen domestic prices and increase returns to growers. It is expected that the pecan exports will be made largely to Holland, Canada, and Scandinavian countries where production of competing nuts is negligible. The United States is the leading producer of pecans since they are not grown in foreign countries except Mexico.

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